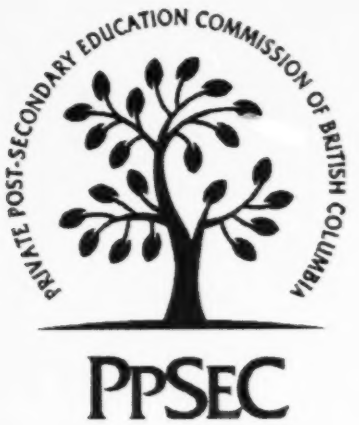

Service Plan
2002 – 2005

Betty Tully
Commission Chair

Honourable Shirley Bond
Minister of Advanced Education

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1. FOREWORD

The Private Post-Secondary Education Commission of British Columbia (PPSEC), as constituted under the *Private Post-Secondary Education Act*, registers private post-secondary institutions to provide consumer protection to students, and offers an accreditation program to registered institutions to ensure conformity with standards of integrity and educational competence.

In support of the Government's commitment to protect the interests of students and the Ministry of Advanced Education's plan to provide more choice for students, the Commission provides the following key services:

- Registration of over 1,100 private post-secondary institutions operating in British Columbia
- Maintenance of a $49,000,000 financial security program to allow for the refunding of unearned tuition in the event of institutional closures
- Compliance auditing of registered institutions
- Accreditation of over 240 registered institutions
- Student complaint investigation

This Service plan is prepared in response to requirements set out in the *Budget Transparency and Accountability Act*, as amended during the spring 2001 session of the Legislative Assembly (amended BTAA). As an agency of government, the Private Post-Secondary Education Commission (PPSEC) is required to file Service Plans and Annual Service Plan Reports with the Ministry of Advanced Education each year. PPSEC Service Plans and Annual Service Plan Reports are also posted on the Commission website at www.ppsec.bc.ca.

II. STRATEGIC CONTEXT

- VISION -

The Private Post-Secondary Education Commission envisions a province where all British Columbians are provided with full consumer protection in respect of registered institutions; where students are assured they will receive high quality programs and services from institutions accredited by the Commission; and where accredited private training institutions' courses or programs are recognized by provincial policy and formal articulation agreements, applied on a consistent, system-wide basis so that learners' interests are safeguarded.

- MISSION -

- To encourage integrity and high standards of educational competence within the private post-secondary sector
- To provide consumer protection
- To implement and supervise with courtesy fairness and equity registration and accreditation

- VALUES -

- Fairness – performance of statutory functions in an impartial, equitable, lawful, unbiased and just manner
- Accessibility – provision of information and services that are simple and easy to use; plain language; and as appropriate with consideration given to the need for services in regions and other languages
- Timeliness – performance of tasks within established timeframes
- Quality and consistency – production of accurate, relevant, dependable, understandable information and results
- Transparency and openness – policies and procedures that are clear and understandable to everyone affected
- Expertise – possession and use of skill, knowledge and technical competence required to discharge statutory duties and maintain public confidence
- Cost-effectiveness – provision of services based on best practices and cost-effectiveness for those involved
- Courtesy – respect for institutions, organizations and individuals who come in contact with the Commission
- Efficiency – streamlining procedures, coordinating services, avoidance of duplication and overlap and use of appropriate technology

- PLANNING CONTEXT -

Strategic Context:

- Impacted by increasing globalization, British Columbia is undergoing a transition from a resource-based to a knowledge-centred economy with a growing demand for skills and knowledge
- The prime post-secondary age group (18-24) is projected to increase by 7.9% by 2005
- 73% of jobs will require post-secondary education by 2008
- Skilled labour shortages are predicted and replacing retiring workers will require the resources of both the public and private post-secondary systems
- British Columbia's population is becoming older and more diverse and private post-secondary institutions traditionally serve older, non-sequential students
- Emerging industries in tourism/hospitality, film, information technology and communications provide new opportunities for niche-oriented private training institutions

Business Environment

- The credibility of the private post-secondary system has increased through PPSEC registration and accreditation, and access to the full student loan, grant, and loan remission program
- The emergence of a dynamic private post-secondary education and training sector has increased the range of choice available to B.C. students
- Federal funding to private institutions has been restricted to tuition paid to Employment Insurance sponsored students, thereby putting contract-dependant institutions at risk
- There is increasing competition between the public and private post-secondary sectors
- The English-as-a-Second-Language sector has regained strength and is more diversified
- Public support for giving private institutions degree-granting status is increasing

Key Challenges:

- To establish a Tuition Assurance Fund to replace the existing financial securities program, as per the *Private Post-Secondary Education Amendment Act* (2000). This will result in improved consumer protection for students, and will allow over $49,000,000 in existing securities to be returned to private post-secondary institutions.
- To ensure that the Commission's system of registration and accreditation imposes the minimum regulatory burden on the private post-secondary education sector consistent with ensuring consumer protection in respect of registered institutions and standards of integrity and educational competence vis-à-vis accredited institutions
- To accommodate the increased accreditation workload associated with Human Resources Development Canada's requirement that Employment Insurance recipients may only attend accredited institutions by May 2003. As many as 260 additional institutions may seek accreditation.

III. GOALS AND PERFORMANCE MEASURES

The PPSEC Service Plan is intended to minimize the regulatory burden on the private post-secondary industry consistent with consumer protection and institutional integrity. Efficiency initiatives planned by the Commission and reflected in this Service Plan will help streamline its operations and enhance its ability to meet anticipated increases in the registration and accreditation functions. Several of the Commission's strategies anticipate Ministry support in amending sections of the *Private Post-Secondary Education Act* and the Regulations.

Goal A – In response to the government's commitment to reduce the regulatory burden on businesses, eliminate the requirement for annual re-registration of private post-secondary institutions

Strategies	Anticipated Outcomes
- Amend Section 8 of the *Private Post-Secondary Education Act* to eliminate the need for institutions to re-register annually*	Immediate elimination of the existing regulatory requirement for annual re-registration, resulting in a 50% reduction in annual reporting requirements for registered institutions. The reassignment of a Registration Officer to compliance auditing, thereby doubling the Commission's capacity in that area.
- Develop and implement an on-line - reporting capacity for institutions	Reduced paper-flow and increased efficiency, accuracy and transparency with respect to information held by the Commission
- Eliminate the requirement to submit advertising copy and, instead, review during compliance audit visits	Further reduction in the regulatory requirements in the Commission's General Directives

Goal B – In response to the government's commitment to put the interests of students first, improve the effectiveness of the compliance auditing process

- Adopt a risk-based strategy for allocating resources needed to validate the ongoing registration status of institutions*	To ensure that those institutions where students' interests are at greatest risk are prioritized for compliance auditing.
- Assign an additional Registration Officer to full-time compliance auditing	To double the current compliance auditing capacity of registered institutions
- Have Accreditation Officers assume responsibility for compliance auditing of accredited institutions	Compliance auditing of accredited institutions every two years. Increased compliance auditing of registered institutions, as will be reflected in the Commission's Annual Service Plan Report

Goal C – To provide improved consumer protection for students by effectively implementing the Tuition Assurance Fund

Strategies	Anticipated Outcomes
- Establish a standing committee of the Commission to administer the TAF	To fulfill the requirement that the Commission administer the fund, and allow for the timely (30 day) disbursement of tuition refunds.
- Assign two experienced staff to TAF implementation	To ensure adequate staffing to effectively implement the TAF over an 18-month period
- Require institutions to transfer from current security to TAF on their re-registration date	To ensure orderly implementation of the Fund and increased protection for students
- Permit earlier transfer of institutions to the TAF as PPSEC staffing levels allow	To provide institutions with relief from current costly securities such as letters-of-credit and cash deposits
- Have the B.C. Investment Management Corporation invest the TAF funds	To benefit from the professional expertise of the Corporation and to maximize interest return within the strictures of the *Public Trustees Act*

Goal D – To ensure that the interests of students and institutions are protected through improved understanding of the Student Complaint process

Strategies	Anticipated Outcomes
Publish a Student Complaints information brochure for students and institutions	The elimination of frivolous and vexatious complaints
Post the Student Complaint form and the information brochure on the PPSEC website	To improve access to the information, as demonstrated by increased use of the web site

Goal E – To ensure that the integrity and educational competence of accredited institutions is maintained by developing an effective monitoring system for accredited institutions

Strategies	Anticipated Outcomes
Develop systemized institutional monitoring capabilities	To ensure minimum regulatory oversight consistent with assurance of appropriate standards of operation
Have Accreditation Officers assume responsibility for compliance auditing of accredited institutions	Accreditation Officers will visit accredited institutions at least once in every two-year period
Streamline the process for institutions to renew their accreditation	The timeframe for accreditation renewal will be 50% shorter than that required to complete an original accreditation

Goal F – In response to the Ministry commitment to increase access to post-secondary education, the Commission will reallocate resources to meet the demand for accreditation by institutions responding to the HRDC requirement for accreditation by May 2003

Strategies	Anticipated Outcomes
Hire one additional Accreditation Officer in 2002/03	To provide the capacity to support the as many as 260 additional institutions seeking to be accredited by May 2003 in response to new HRDC requirements

Goal G – To ensure consistency with the government's commitment to put the interests of the taxpayers first, have the Ministry revise the fees and penalties allowed under the *Private Post-Secondary Education Act* and Regulations, enabling the Commission to be 100% industry-financed, and thereby eliminating the need for an annual government grant.

Strategies	Anticipated Outcomes
Gain Ministry of Advanced Education support for an annual grant, the value of which will decline each year proportionate to increases in annual accreditation fees*	To ensure the revenue necessary to be able to maintain the accreditation services required without incurring too large an increase in fees to institutions in a single year, while eliminating the need for a grant within three fiscal years.
Have the Ministry adopt a schedule of annual accreditation fees wherein the fee relates to the institution's total annual training revenue*	To provide an accreditation fee schedule that more fairly distributes the costs of maintaining the system Not-for-profit and smaller institutions would thereby be able to afford accreditation.
Implement a program of appropriate annual increases to registration and accreditation fees*	To eliminate the need for excessive increases in any given year, resulting from a failure to keep pace with inflation.
Amend section 35 of the *Act* to allow the Executive Director to assess fines to persons or institutions committing an offence as denoted in section 35 (2). A scale of escalating fines should be set out in the Regulations.	To ensure compliance with the requirements of the *Act* without having to suspend or cancel registration or accreditation, an action that seldom serves the interests of the students, the institution or the broader community.

- These strategies are supported in the October 2001 'PPSEC Report on Resource Capacity and Overhead Funding Assessment', prepared for the Ministry of Advanced Education by the Internal Audit & Advisory Services Branch of the Ministry of Finance

IV. RESOURCE PLAN

See attached Staffing, Salaries & Benefits Projection

- **See attached Statement of Operations Projection**

PRIVATE POST-SECONDARY EDUCATION COMMISSION

STAFFING PROJECTION/SALARIES & BENEFITS PROJECTION

	2001/02	2002/03	2003/04	2004/05	2005/06
REGISTRATION:					
Registrar	1	1	1	1	1
Officer	3	3	3	3	3
Assistant	2	1.5	1	1	1
TOTAL REG STAFF	**6**	**5.5**	**5**	**5**	**5**
TOTAL REG SALARIES & BENEFITS	**$ 334**	**$ 324**	**$ 313**	**$ 323**	**$ 329**
TAF/REGISTRATION:					
Officer	0	0.5	1	1	1
Assistant	0	0.5	1	1	1
TOTAL TAF/REG STAFF	**0**	**1**	**2**	**2**	**2**
TOTAL TAF/REG SALARIES & BENEFITS	**$ -**	**$ 52**	**$ 105**	**$ 107**	**$ 109**
ACCREDITATION:					
Officer	3	4	4	4	4
Assistant	1	1	1	1	1
TOTAL ACCRED STAFF	**4**	**5**	**5**	**5**	**5**
TOTAL ACCRED SALARIES & BENEFITS	**$ 249**	**$ 318**	**$ 330**	**$ 340**	**$ 347**
ADMINISTRATION:					
Executive Director	1	1	1	1	1
Finance Officer	1	1	1	1	1
Secretary/Receptionist	1	1	1	1	1
Student Complaints Advisor/Accounting Clerk	1	1	1	1	1
TOTAL ADMIN STAFF	**4**	**4**	**4**	**4**	**4**
TOTAL ADMIN SALARIES & BENEFITS	**$ 275**	**$ 285**	**$ 291**	**$ 297**	**$ 303**
OVERALL SALARIES & BENEFITS	**$ 858**	**$ 979**	**$ 1,039**	**$ 1,067**	**$ 1,088**
LESS CHARGE BACK TO TAF:	$ -	$ 50	$ 102	$ 104	$ 106
OVERALL SALARIES & BENEFITS AFTER CHARGE BACK TO TAF	**$ 858**	**$ 929**	**$ 937**	**$ 963**	**$ 982**

Note: Financial data shown in thousands ($000).

PRIVATE POST-SECONDARY EDUCATION COMMISSION

STATEMENT OF OPERATIONS PROJECTION ($000)

	2002/03	2003/04	2004/05	2005/06
REVENUE:				
Registration fees	$ 831	$ 830	$ 829	$ 828
Accreditation fees	$ 253	$ 251	$ 251	$ 286
Ministry grant	$ 225	$ 250	$ 300	$ 300
Interest	$ 26	$ 30	$ 30	$ 30
	$ 1,335	**$ 1,361**	**$ 1,410**	**$ 1,444**
EXPENSES:				
Salaries & benefits	$ 979	$ 1,039	$ 1,067	$ 1,088
*charge back to TAF- #1	$ (50)	$ (102)	$ (104)	$ (106)
Advertising & publications	$ 10	$ 10.2	$ 10.4	$ 10.6
Amortization	$ 20	$ 35	$ 35	$ 35
Commissioners	$ 45	$ 46	$ 47	$ 48
Courier & postage	$ 20	$ 20.4	$ 20.8	$ 21.2
Equipment lease/maintenance	$ 22	$ 22.4	$ 22.8	$ 23.2
Miscellaneous	$ 6	$ 6.2	$ 6.4	$ 6.6
Office supplies	$ 35	$ 35.7	$ 36.4	$ 37.1
Professional development	$ 5	$ 5.1	$ 5.2	$ 5.3
Professional fees	$ 31.5	$ 34.3	$ 37.1	$ 39.9
Rent	$ 144	$ 164	$ 167	$ 170
Telephone	$ 25	$ 25.5	$ 26	$ 26.5
Travel & Meals	$ 50	$ 55.2	$ 56.4	$ 57.6
Undesignated contingency	$ 25	$ 25	$ 25	$ 25
*charge back to TAF - #2	$ (25)	$ (51)	$ (52)	$ (53)
	$ 1,342.5	**$ 1,371**	**$ 1,406.5**	**$ 1,435**
SURPLUS (DEFICIT)	**$ (7.5)**	**$ (10)**	**$ 3.5**	**$ 9**

* charge back to TAF - #1 - estimation of salaries & benefits relating to the Tuition Assurance Fund
- #2 - estimation of applicable operating expenses relating to the Tuition Assurance Fund

Note: All revenue, with the exception of the Ministry Grant, is derived from industry-assessed registration and accreditation fees.